

6 April 1976

MEMORANDUM FOR: Board of Advisors, Center for the Study
of Intelligence

SUBJECT : Board Meeting

1. The third meeting of the Board has been scheduled for 16 April at 2:30 p.m. in the DDA Conference Room (7D-32 HQS.).
2. The agenda for the meeting is as follows:
 - a. Briefing on the status of the Center program by the Director of Studies.
 - b. Discussion of the program and the acquisition of fellows for the Center.

STATINTL

[REDACTED]
Director of Studies, CSI

April 1976

CSI STATUS

Personnel

- Three staff members: a secretary-typist; research assistant; director of studies
- Nine research fellows at work: 3 DDI; 5 DDO; 1 DDA; two research fellows coming by 1 May: 1 DDI; 1 DDO

Research Studies

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- 1. CIA Intelligence Support for Foreign and National Security Policy Making. Draft circulated for comment in January. No suggestions for major changes or additions received. Report will be published in Studies and condensed for the Review of National Intelligence published by IC Staff. 25X1A
[REDACTED] ex-ONE; [REDACTED], OSR; [REDACTED]
- 2. A Study of Counterintelligence Training. Study never got off the ground due to lack of agreement between CI Staff and author on parameters. With DO agreement, author has switched to personal essay examining dynamics today in the collection business, especially the pressures posed by current intelligence reporting requirements. Full draft available in June. 25X1A
[REDACTED] DDO)
- 3. The Field Station of the Future. Study begun in September. Research completed. Drafting underway. 25X1A
First draft available in June. [REDACTED], DDO; [REDACTED] DDA)
- 4. The Impact of Compartmentation in the CIA. Study begun in September. Focus is tri-part: the impact of formal compartmented systems; the operation of the need to know principle and the classification system; the effects of "bureaucratic compartmentation." Preliminary draft on the formal systems completed. 25X1A
Full study available by late S [REDACTED], DDI; [REDACTED]

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5. A Redraft of Certain Agency Publications about the CIA. Project begun in October. Drafts available, but no further action has been taken. [CSI Staff/OTR])

6. A University-Level Course on Intelligence. Project begun in March aims to develop basic materials for such a course including sections on intell theory, intell processes, and public issues regarding intelligence. Partial drafts available in Summer '76. [] DDO) 25X1A 25X1A

7. The Role and Use of DO Reporting in DDS&T Publications. Study to begin 19 April. [] DDO)

8. A Study of Market Changes for the Finished Intelligence Product Over the Next Five to Ten Years. Project suggested by DDI to begin 19 April. [] DDI)

Discussion Groups

--Continuing Seminars:

- x On Intelligence Analysis. A core group of ten officers every six weeks to discuss analysis issues. Fifth session on DDS&T analysis scheduled for April.
- x On Inter-Disciplinary Analysis. A core group of Soviet analysts from various intelligence disciplines exploring inter-disciplinary needs. Second session on Soviet economics in May.
- x On Operations Issues. First session held in March on ethical guidelines for DO officers. (Report to D/DO). Additional sessions planned for mid-May and July.

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CENTER FOR THE STUDY OF INTELLIGENCE

The Center's recent paper "CIA Intelligence Support For Foreign And National Security Policy Making" reached the conclusion that there is continuing consumer dissatisfaction with the CIA estimative and predictive intelligence product. The problem is, of course, an old one and perhaps to some extent intractable. Yet there would seem to be particular merit at this point in time to a fresh new study of the CIA estimate as an art form. The study, if appropriately focused and researched could provide a valuable input to the current discussions within the community about estimates, how they should be done and by whom. Following below is an outline establishing some tentative parameters for a Center-sponsored project on the estimative process and product.

PROJECT PROPOSAL (DRAFT)

THE ESTIMATIVE PROCESS AND PRODUCT

RESEARCH QUESTIONS

1. How are estimates used by policy makers today? Has the situation changed over the years, i.e., was there a time when estimates were key documents upon which policy decisions genuinely were based? What is the real significance of an estimate being "called for" by policy makers?

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2. Do policy makers really want bottom line judgments in estimates? Or, are they more interested in what estimates do in laying out the forces at work, attempting to pinpoint key indicators, identifying turning points, illuminating areas of inter-agency disagreement, etc. Does the policy maker really want an aid to making his own estimate?

3. Are there important differences between what policy makers want from political/economic as opposed to military/strategic estimates?

4. Do estimates provide a general educational service? i.e., do they give high level non-experts a solid short-course in the subject, enabling them to appreciate what is at stake in a particular decision and to understand and evaluate differing policy recommendations and contending departmental positions? If this were to be the priority function of estimates, would they still be "estimates"?

5. How important is the estimative process as an aid to other kinds of intelligence analysis; i.e., as a means of determining "where we are and where do we go from here" in terms of knowledge, collection programs, future projects, etc.?

6. Are estimates the place for truly coordinated policy-related statements? i.e., should estimates deal explicitly with the levers or influence the US may have to determine an outcome or shape a course of events? Do policy makers already assume (erroneously) that this is done implicitly--that

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judgments in an estimate take into account ongoing covert operations? Should estimates predict the probable consequences of varying degrees of covert intervention in a situation as well as probable results of diplomatic initiatives?

7. Where should the impetus for estimates come from? Consumer request? Independent anticipation? Regular cycle?

8. Is there an optimum time span for an estimate? Long or short range? Situation-oriented? Specific span of years?

9. How can estimates be produced and coordinated so as not to blur differences and turn out lowest-common-denominator results?

10. How can inter- or multi-discipline analysis be imparted to estimates?

11. What should the estimate of the future look like?

12. How should the intelligence community organize itself to produce estimates? What are the pros and cons of:

--A Board of Estimates

--A permanent estimative staff

--Ad hoc draftr system/NIO control

--New concepts, such as estimative teams

(DDI/DDO/non-CIA)

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METHODOLOGY

1. Read material on the estimative process available in Studies in Intelligence and other publications. Interview NIOs and drafters. Utilize Center source materials. Policy-maker interviews may also be necessary.

2. Estimates as source material:

a. Develop a methodology of selective use, e.g., all estimates on country or problem X since 1947; selected key estimates; requested vs. self-initiated estimates; "used" vs. "ignored" estimates: ONE vs. NIO estimates.

b. Develop criteria of evaluation; this must go beyond question of whether estimate turned out to be "right." Question is whether estimate was--or could have been--of use to policy makers. Develop means of content analysis (e.g., was there an attempt at multi-discipline analysis).

3. "Case Studies":

a. Take a policy decision in a case where an estimate on point was available and attempt to determine whether the estimate had an "impact" (i.e., whether it was taken into account in the decision making process, not whether or not the decision was "in line"

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- b. This may entail interviews with policy makers--it would be better to use non-incumbents here.
- 4. Investigate and evaluate predictive techniques in use or under study within and outside the government.
- 5. Produce a prototype (or prototypes) estimate of the future.
- 6. Undertake selective interviews with current policy makers to gauge their reaction to the prototype.

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CENTER FOR THE STUDY OF INTELLIGENCE (CSI)

Papers Dissemination

A. Papers Resulting from Projects in CSI

A 1: CIA Intelligence Support for the Conduct of Foreign and National Security Policy: An Initial Report From the Center for the Study of Intelligence (Confidential)

A 2: CIA Intelligence Support for Foreign and National Security Policy Making (Final Draft) (Secret) January 1976

B. Reports of Seminars (or Discussion Groups) and Surveys

B 1: A Discussion of the Question of Overspecialization Within the CIA (Confidential) 13 March 1975

B 2: CIA Activities Contributing to Public Understanding of Intelligence and the CIA (Secret) April 1975

B 3: Research Study on CIA Intelligence Support for the Conduct of Foreign Policy (Confidential) 19 May 1975

B 4: Discussion Session on Professional Values in the CIA (Unclassified) 11 June 1975

B 5: Report of a Seminar on Intelligence Analysis in the CIA Today (Confidential) 15 August 1975

B 6: Multi-Disciplinary Analysis in the CIA (Unclassified) 17 October 1975

B 7: "Whither NOC?"
(Secret) 4 December 1975

B 8: Compartmentation Study Questionnaire
(Administrative - Internal Use Only) January 1976

B 9: Report of a Seminar on the National-Tactical Issue
(Secret) 3 February 1976

B 10: Seminar on the Policy Maker and the Intelligence
Analyst
(Secret) 27 February 1976

B 11: Report of a Seminar on CIA Compartmentation
(Secret) 1 March 1976

C. Preliminary Papers for Seminars (or Discussion Groups)

C 1: Overspecialization in the CIA: Fact or Fancy
(Confidential) 13 March 1975

C 2: A Study of CIA Intelligence Support for the Conduct of
Foreign Policy
(Confidential) 19 May 1975

C 3: A Seminar on Intelligence Analysis in the CIA Today
(Administrative - Internal Use Only) 15 August 1975

C 4: DDO Role in Policy Making Process
(Confidential) 9 September 1975

C 5: The Multi-disciplinary Issue
(Unclassified) 17 October 1975

C 6: Some Questions About Non-Official Cover
(Secret) 4 December 1975

C 7: The National-Tactical Issue
(Confidential) December 1975

C 8: A Sketch of an Approach to an Initial Inter-Disciplinary Seminar
(Confidential) 1975

C 9: A Consumer's View of Intelligence Analysis
(Administrative - Internal Use Only) 27 February 1976

C 10: Discussion on Successes and Failures in the Intelligence Field--Are General Philosophical Guidelines Desirable Today?
(Administrative - Internal Use Only) 5 March 1976

C 11: Some Basic Assumptions in the Political Analysis of the Soviet Union
(Secret) March 1976

D. Proposals for Research

D 1: A Paper on Covert Economic Collection
(Confidential) 1975

D 2: Some Thoughts on the Value of a Study of Compartmentation in the CIA
(Administrative - Internal Use Only) 14 July 1975

D 3: Proposals for Research Studies During 1976
(Confidential)

D 4: Project Proposal (Draft): The Estimative Process and Product
(Confidential) 17 March 1976

E. Background Papers on CSI

E 1: Initial Program of the Center for the Study of Intelligence
(Administrative - Internal Use Only)

E 2: Prospectus - 1975
(Administrative - Internal Use Only)

E 3: Prospectus - 1976
(Administrative - Internal Use Only)

F. Bibliographies

F 1: An Unclassified Bibliography for Intelligence Researchers
(Unclassified) March 1976

G. Professional Societies in the Social Sciences

G 1: Professional Societies in the Social Sciences: A
Selected listing of convention dates, locations,
and Contact Points
(Unclassified) April 1975

G 2: Professional Societies in the Social Sciences: A
selected listing of convention dates, locations,
and contact points
(Unclassified) November 1975

from CSI 4/15/76

Nothing new

REPORT OF A SEMINAR ON CIA COMPARTMENTATION

Introduction

On 1 March 1976 the Center for the Study of Intelligence sponsored the first of two seminars on the subject of compartmentation. This seminar focused on the formal compartmentation systems--their objectives, their strengths and weaknesses, and their impact on intelligence production--in light of current pressure from segments of the intelligence community to decompartment intelligence products so as to permit their use on a larger scale. Some of the specific matters it was hoped the seminar would address were a definition of the sort of "essential secrets" which require protection by compartments; the point at which protection of sources and methods restricts too greatly the dissemination and use of the information they provide; the impact of compartmentation on the various stages of the intelligence process (collection, processing/analysis, and dissemination); and suggestions for improving the existing systems and the process of decompartmentation.

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Invited to the seminar were several intelligence officers familiar with various aspects of compartmentation in the CIA



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25X1A compartmentation study group of the Center for the Study of Intelligence, headed by [REDACTED] and also consisting of [REDACTED]

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Problem Areas Defined

At the beginning of the session, participants were invited to state their chief concerns about compartmentation as a means of defining the scope of the discussion to follow. [REDACTED]

25X1A led off by proposing a single compartmentation system in place of the present multiple ones. [REDACTED] said he found compartmentation a handicap and challenged the necessity of having it. [REDACTED] spoke for the tactical field commander, who needs information as quickly as possible with little concern as to its ultimate source. In this situation, compartmentation is better than the present alternatives, because within 25X1A the compartments (i.e., TK) information flows much more freely than under the Top Secret control system. [REDACTED]

applauded the basic assumption of compartmentation that restricted access limits the possibility of the enemy's learning our secrets, but complained of a lack of flexibility in protecting information of varying sensitivity. Thus, material often remains within a compartment, where it may be unavailable to many analysts even though analysis of the foreign press clearly indicates that it is known to the enemy. 25X1A

[REDACTED] said that compartmentation's track record is sufficient proof of its value, but complained of the

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compartmentation of control over the formal systems, a situation which has led to a multiplicity of "national" authorities. He proposed an interdepartmental review panel to refine the definition of what types of information need to be protected by the formal systems and eliminate the abuses of compartmentation which arise from competition for control over them. [REDACTED] said he believes the purpose of compartmentation to be protection of information or sources from external damage, but is concerned that some agencies interpret that to mean defending themselves against such things as criticism or budgetary scrutiny. He also saw no purpose to maintaining compartmentation controls over compromised material. [REDACTED] stressed the necessity of maintaining compartmentation to protect sensitive sources and methods, which he feels are extremely vulnerable. He complained of a general laxity in the application of both the formal and informal systems. At the same time, he felt that the end product of some systems can be sanitized without revealing the source.

[REDACTED] noted that all the aforementioned problems had been examined by Mr. Proctor and a number of producers and consumers at a recent conference at the [REDACTED] In general, they agreed with the sentiments expressed at the seminar: Compartmentation is necessary for protecting sources and methods. It is time, however, to make a more realistic

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appraisal of classification and compartmentation criteria, and to separate information from the way it is collected so that it can be of greater use to a greater number. More moves in this direction are to be expected in the wake of

25X1A Executive Order 11, 905.

[REDACTED] offered the closing statement, in which he said he thinks there is too much compartmentation. Declaring that he feels compartmentation offers no protection against losses either through a defector or through penetration, he claimed that it does restrict the flow of information among analysts and thus makes it difficult to produce the best intelligence possible. He felt we should accept the idea that some losses are inevitable, protect the sources as fully as possible, but get the information out where it is usable.

Discussion

The ensuing discussion focused mainly on the problem of how to protect sources and capabilities while still making maximum information available to those who need it. Specific difficulties arising from the present system were cited; one proposal for improving the administration of the formal systems was weighed; and a number of factors were identified as requiring consideration in the designing of any future improvements. Among the specific points addressed by the discussion were the following:

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--Compartmentation is not a clearance. It is merely the mechanism for controlling access to a particular project, or the information derived from it, which may reveal the project's existence and/or capabilities.

25X1A Its purpose is to protect the project (or, in the case of HUMINT, the agent) from discovery and counter-measures. [redacted] stressed that the United States would lose not only existing but potential capabilities vital to the national defense if certain facts--techniques, concepts, and results--were to become known.

--If restriction of access to sensitive information is viewed as an effective means of protecting sources and methods, then the proliferation of access approvals is clearly a threat to the system. Furthermore, damage assessment in the event something is "blown" is made much more difficult if a great number of people have access to particular compartmented information.

[redacted] noted a reversal of the trend toward granting ever larger numbers of people access to the newer systems: CRS, which earlier provided all its people with SI/TK access and was planning to do the same with [redacted] now holds [redacted] access approvals rather tightly, since it is felt that the average analyst has access to all he needs to know about the system through the SI/TK compartment. If an uncleared

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25X1A person comes in contact with [redacted] material, he now signs an inadvertent exposure statement rather than "automatically" being approved for access to the compartment.

--A further problem with the proliferation of access approvals is that within the formal compartments information tends to be handed around freely, with minimal regard for need to know. This practice contrasts sharply with the strict application of need to know practiced by the DDO. It has the net effect of restricting the flow of information more than under the Secret classification, but less than under Top Secret, where each copy bears a cover sheet which must be signed by every individual on the routing list, and dissemination and reproduction are tightly controlled. The relative freedom of handling of compartmented material makes information more easily available to those who need it, but also increases the chance of compromise.

--If the ultimate purpose of compartmentation is to deny knowledge to the enemy, questions arise as to its application to information which has already been "blown" in the press. Some people

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feel that continued restriction of access merely denies the analyst information which the other side already has, thereby needlessly handicapping him; this charge leads to the question of who we are seeking to protect the information from. It was generally agreed that the formal compartments often do not allow for varying sensitivities of material. [redacted] cautioned, however, much of the information which appears in the press is erroneous or incomplete, and therefore increases the difficulty of assessing the validity of a leak. He feels we would be needlessly compromising our sources if we automatically decompartmented material simply because it had been mentioned in the press. This would also sharpen the focus of the media and the opposition on our valid secrets.

--A similar problem is the retention in compartments of information derived from sources whose capabilities have been revealed in the SALT talks, or the continued classification (SECRET/NOFORN) of the "fact of" satellite reconnaissance. [redacted]

pointed out that "fact of" is an illustration of the

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use of compartmentation for political reasons, a practice which tends to dilute the effectiveness of the compartment.

--The principal reason for the use of compartments and need to know is to protect sources and methods.

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The information derived from these sources and methods, however, is often of value to people who have no need to know from whence it came. [REDACTED]

provided a dramatic example of the problems resulting from placing operational and derived information in the same compartment: He was not warned of coastal defenses in an area where he was to sail his ship because he did not have access to the SI compartment, and as a result came under enemy fire. All he would have needed to avoid the situation was the information, not knowledge of the source.

--Although it was generally agreed that analysts can often use the intelligence in a report without knowing the source, there are occasions when a knowledge of the source and/or its capabilities is necessary. This is true, for example, for an analyst working on the product of a technical system, who needs to know the type of equipment involved or its location in order properly to evaluate the information. Some identification is also needed for formal source

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evaluation by analysts, a process which is vital to future planning.

--The seminar participants concluded that making a distinction between collector, analyst, and end-product consumer would help alleviate the problems described above. The collector needs detailed knowledge of how his system operates. The processor/analyst needs to have some understanding of the source in order to do his job with maximum effectiveness. The consumer, however, usually needs only the digested, analyzed information in a form that he can easily digest and use. CIA, in most cases, is a processor, not a consumer, and therefore frequently has a need for source information which some collectors (notably NSA) withhold on the ground that consumers do not need to know it. A three-tiered system of compartmentation which took these differing needs into account would greatly assist in solving the problem of protecting sources and methods while still making available the information they collect.

--The present system of compartmentation leads to practices--occasionally, to abuses--which frustrate the analyst and impede the flow of information to the user. Past instances of overclassification--

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"S E C R E T" INFORMATION

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deliberate or otherwise--tend to erode analysts' confidence in collectors' statements regarding source reliability and degree of need to protect sources. Such lack of confidence may extend to the system of compartmentation in general. The practice of classifying (or compartmenting) an entire document according to the highest sensitivity of an individual item used in it can result in depriving officers of access to the rest of the information, regardless of its actual sensitivity. (The alternatives would be to decompartment, sanitize or remove the individual item.) Inconsistent explanation or application of rules regarding storage, handling, and decompartmentation of sensitive material can lead to a multiplicity of procedures for dealing with it and general confusion about the system as a whole.

--A number of problems with the present compartmentation system are psychological in nature. The granting of special access in a world where secrecy is often regarded as a status symbol has consequent effects upon the "haves" and the "have nots."

[REDACTED] proposed that we look more deeply into the issues such as the effect upon the analyst's

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knowing (or suspecting) that he is being forced to make judgments based on incomplete information, or the feeling that some individuals are considered more trustworthy than others. Such feelings often lead to analysts' conducting private "operations" against the office(s) they feel are denying them needed information, a practice which runs counter to the intent of compartmentation. In this atmosphere, the mere presence of the visible signs of compartmentation (codewords, markings on documents, letters on a badge) leads to curiosity about the project or compartment so identified. It was generally agreed that while attempting to find out more about such activities might be "unprofessional," it was an undeniable aspect of human nature and posed another threat to compartmentation. Finally, in a world in which restricted access is thought to confer status, there is a tendency to overclassify or overcompartment documents in order to call them to the attention of one's superiors who are supposedly too busy to pay attention to "mere" Secret or noncodeword material. To the degree that this practice exists, it runs counter to the present policy of downgrading or declassifying

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in order to make the information as widely available as possible.

--Bureaucratic compartmentation between different offices in CIA--usually involving the DDO--was also charged. Again, the basic problem was that of collectors attempting to protect sources from those on the "outside," without distinguishing between processors and consumers. Attempting to get needed information from the DDO is even more difficult than from the formal compartments because of the lack of centralization and control over need to know and bigot listed operations.

--The first step in attempting to remedy any situation in which needed information is being denied is for supervisors (office chiefs, branch chiefs, etc.) to be continually aware of the needs of their subordinates and to do everything possible to insure that they are granted access to those compartments, bigot lists, etc., which contain information they require.

--While the compartmentation study group's charter and the scope of its paper are restricted to problems within CIA, it was recognized that any proposed change in the system would affect the entire intelligence community. That there are

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several ramifications to this fact was brought out in discussion of [REDACTED]s proposal that a review board be set up to make policy and resolve disputes. Because organizations have in the past used compartmentation to protect their special interests, it was feared that some might refuse to release information even to such a board. It was also questioned whether the board itself, being composed of departmental representatives, would wind up on the side of the "establishment" rather than that of the analyst--whether it would come to have a proprietary interest in the issues being adjudicated.

--A possible solution to some of the attitudinal problems regarding compartmentation would be a training program that would explain the reasons for compartmentation and emphasize that restriction of access is neither a personal nor a professional insult but a necessary part of the intelligence business.

The preceding views are those of the individual intelligence officers who attended the CSI compartmentation study group's 1 March seminar on formal compartmentation. The CSI team studying compartmentation plans to utilize the opinions and suggestions made by the participants in this seminar in

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its final report. The team welcomes the ideas of other Agency officers who wish to contribute to the exploration of this or other aspects of compartmentation within the CIA.